

KANSAS RACING AND GAMING COMMISSION

MINUTES – FEBRUARY 12, 2016

CALL TO ORDER:
(A.)

Chairman Brandon Jones called the February 12, 2016, meeting to order at 10:00 a.m. The meeting was held at the Kansas Speedway located at 400 Speedway Blvd in Kansas City, KS. Commissioners Dennis McKinney, R. Eileen King, David Moses and Jan Kessinger were also present. Others present included Executive Director Don Brownlee, General Counsel Judith Taylor, Director of Administration, Finance, and Audit Brandi White, Director of Security Larry Moreland, Recording Secretary Chris Vega and other staff. Mike Taylor with the Wyandotte County Unified Government introduced himself and welcomed the Commission and KRGC staff to Kansas City.

MOTION, APPROVE
AGENDA:
(B.)

Commissioner King (Kessinger) moved to approve the agenda. Motion carried unanimously.

MOTION, APPROVE
JANUARY 15, 2016
MEETING MINUTES:
(C.)

Commissioner King (McKinney) moved to approve the minutes of the January 15, 2016 meeting. Motion carried unanimously.

MOTION, APPROVE
CONSENT AGENDA:
(D.)

Commissioner King (McKinney) moved to approve the consent agenda. Motion carried unanimously.

LOTTERY GAMING
FACILITY
REPORTS/ITEMS; BOOT
HILL CASINO AND
RESORT:
(E.1.)

Clark Stewart, CEO of Boot Hill Casino and Resort, introduced Diane Giardine as Boot Hill's Interim General Manager. Ms. Giardine, reported:

- January 2016 revenue numbers compared to January 2015:
 - Total gaming revenue down 6.55%
 - Total slot revenue down 5.80%
 - Table games revenue down 11.50%
- Past casino promotions and arena events:
 - New Year's Day buffet
 - January 21 - 23 - Tournament of Champions at United Wireless Arena
 - 2-1 Blackjack promotion
 - Big Hand Bonus in Poker

- Hotel Promotions – discounted rates
- Buffalo Packages
- Motorcoach trips
- Email promotion - \$25 in Free Play
- January 15 - Grapes & Grains
- Upcoming casino promotions and arena events:
 - \$25,000.00 cash & free play giveaway – month of February
 - February 13 – 14 - Valentine’s Day dinner special
 - All you can eat crab legs – Thursday nights
 - February 28 - Jeff Foxworthy & Larry the Cable Guy

LOTTERY GAMING
FACILITY
REPORTS/ITEMS; KANSAS
STAR:
(E.2.)

Dan Ihm, General Manager, reported:

- January 2016 admissions were up 6.8% from January 2015.
- January 2016 revenue numbers compared to January 2015:
 - Total gaming up 1.3%
 - Slot coin-in (handle) down .05%
 - Slot hold up .29 points
 - Table game drop up .2%
 - Table game hold down 1.3 points
 - Poker room revenue down 22%
- Past events at the Kansas Star Casino Arena:
 - January 23 – Hairball (80’s hair band tribute)
 - February 6 – Battle of the Belt (kids wrestling)
- Upcoming events at the Kansas Star Casino Events Center:
 - February 13 – Cirque Ziva Golden Dragon Acrobats
 - February 26 – Bellator MMA
 - March 12 – John Mueller’s Winter Dance Party (Buddy Holly Tribute Show)
 - April 16 – Foreigner

LOTTERY GAMING
FACILITY
REPORTS/ITEMS;
HOLLYWOOD CASINO AT
KANSAS SPEEDWAY:
(E.3.)

Rick Skinner, General Manager, reported:

- January 2016 revenue numbers compared to January 2015:
 - Total gaming revenue was \$11.7 million, a decrease of \$97,000.00 or less than 1%.
 - Table games revenue was \$1.6 million, a decrease of \$158,000.00 or 8.8%. The tables games revenue variance was primarily driven by a year-over-year decrease in table drop associated with four high stakes patrons who did not play in the current year.

- Slot revenue was \$10.1 million, an increase of \$60,000.00 or 0.6%.
- Hollywood Casino had their usual compliment of marketing promotions, direct mail offers and food specials throughout the month of January. On January 22, Hollywood Casino concluded the Pigskin Payoff promotion with a drawing and one lucky patron won the grand prize of \$20,000.00 cash.
- Upcoming events at Hollywood Casino at Kansas Speedway:
 - February 12-14 – Several promotions will be running in the restaurants over Valentine’s Day weekend. Epic Buffet and Marquee Café will have special menus including all-you-can-eat crab legs in the buffet the entire weekend. Final Cut will be featuring a 4-course prix-fixe menu at \$75.00 per person.
 - February 19 – Marquee Millionaire Slot Tournament. This is a single day tournament with the top four finishers qualifying for the Marquee Millionaire Slot Tournament at the M Resort in Las Vegas in May 2016.

Executive Director Brownlee introduced Jeff Boerger with the Kansas Speedway Corporation and Mr. Patel and Mr. Donaghue with Penn Gaming, who were in the audience on this date.

COMMISSION ITEMS –
OLD BUSINESS;
ADOPTION OF GLI
STANDARDS, VERSION 2.1
(F.)

Commissioner McKinney congratulated Commissioner Jones on the Governor’s appointment of Commissioner Jones as Chairman of the Commission. Commissioner Moses thanked Commissioner McKinney for his service as Acting Chairman of the Commission.

- Executive Director Brownlee presented the adoption of GLI Standards, version 2.1.

MOTION TO APPROVE
THE KRGK TO MOVE
FORWARD WITH THE
ADOPTION OF THE GLI
STANDARDS, VERSION 2.1

Commissioner Moses (Kessinger) moved to approve the Kansas Racing and Gaming Commission to move forward with the adoption of the GLI Standards, version 2.1. Motion carried unanimously.

COMMISSION ITEMS –
NEW BUSINESS;
ELECTION OF
COMMISSION VICE-CHAIR
AND SECRETARY
(G.1.)

The Kansas Racing and Gaming Commission is required by state statute K.S.A. 74-8803(i) to annually elect a vice-chair and a secretary of the commission. Commissioner King is currently the commission’s secretary and Commissioner McKinney is the current vice-chair. The commission can elect to have them continue in their respective capacities or they can vote to have new officers. Commissioner King

declined to continue as secretary since she has chosen not to seek re-appointment to the commission and plans on serving until a replacement has been chosen. Commissioner McKinney agreed to remain as vice-chair of the commission. Commissioner Moses nominated Commissioner Kessinger for secretary.

MOTION TO APPROVE
COMMISSION VICE-CHAIR
AND SECRETARY

- Commissioner Moses (King) moved that the commission elect Commissioner Kessinger as secretary. Motion carried unanimously.
- Commissioner King (Moses) moved that Commissioner McKinney remain vice-chair of the commission. Motion carried unanimously.

COMMISSION ITEMS –
NEW BUSINESS; ILLEGAL
GAMBLING
(G.2.)

During January's meeting, the commission discussed the prevalence of illegal gambling in the Wichita area and the negative effect on the Kansas Star Casino and its poker room. Dan Ihm, General Manager of the Kansas Star Casino, reported today that he and Clint Patty, legal counsel for Kansas Star Casino, met with Marc Bennett, Sedgwick County District Attorney. DA Bennett says that he is willing to look at all cases of illegal gambling that are presented to him for prosecution.

PUBLIC COMMENTS;
(H.)

There were no public comments.

STAFF REPORTS;
(I.)

Michelle Neis, Enforcement Attorney, reported on the Voluntary Exclusion Program statistics for the month of January 2016.

Executive Director Brownlee reported:

- The House and Senate each passed out a budget on February 10, 2016. The two bills differ somewhat so they will go to conference committee. There were no changes made nor were any changes recommended to the KRGC's budget.
- The racetrack bill has not been scheduled for a hearing date, but it has been referred to the committee on calendaring and printing.
- There was a hearing this past week before the joint committee on rules and regulations to consider the proposed regulatory amendments to KRGC licensing regulations, changing the renewal time period from two to three years and increasing,

from \$100,000.00 to \$250,000.00, the amount of goods and services a vendor can provide to a facility manager before they are required to be certified as a non-gaming supplier. Some members of the committee were not in favor of the changes, believing that the legislative intent behind the Kansas expanded lottery act was to be tough on casino operators, and these amendments did not support that intent. Other members supported the amendments. The KRGC had not yet received a copy of the committee's report.

- The next KRGC meeting will be March 11, 2016 at 10:00 a.m. in Topeka. Future meetings were discussed and the commissioners decided the May 13, 2016 commission meeting will be held in Dodge City, KS.

DISCIPLINARY REVIEW
PROCEEDINGS; (J.)

There were no disciplinary review proceedings.

MOTION, EXECUTIVE
SESSIONS:
(K.)

Chairman Jones moved for the commission to go into executive session for the purpose of (1) attorney/client privilege, (2) personnel and (3) reviewing the list of confidential backgrounds for licensing. Those included in the executive sessions were the commissioners, executive director, general counsel, and director of security. The total time for the executive sessions was anticipated to be forty minutes. No action is to be taken in executive session, and the subjects discussed are to be limited as previously described. A full record of this motion is to be maintained as part of the permanent record of the Kansas Racing and Gaming Commission. At the conclusion of the executive session, the meeting is to be continued in open session. Commissioner McKinney (King) made a motion to adjourn to executive session. The motion carried unanimously and the meeting was adjourned to executive session at 11:00 a.m.

RECONVENE

The commission meeting returned to open session at 11:43 a.m. with all members present.

MOTION TO DENY,
CONDITIONALLY
APPROVE, AND APPROVE
LICENSE APPLICATIONS
(L.)

Commissioner Kessinger (King) moved to *deny* three license applications, *conditionally approve* four license applications, and *approve* the remaining 147 license applications from the February 12, 2016 list of background reports referred to the commission for action. The motion carried unanimously.

ADJOURN:
(M.)

Commissioner King (McKinney) moved to adjourn the meeting.
Motion carried unanimously. The meeting adjourned at 11:46 a.m.

HOLLYWOOD CASINO
TOUR:
(N.)

After the meeting adjourned, the commissioners attended a tour of the
Hollywood Casino at Kansas Speedway during which no commission
business would be discussed.

SUBMITTED BY:

(Signature on file)

Jan Kessinger
Secretary

APPROVED BY:

(Signature on file)

Brandon Jones
Chairman